

STATE OF OREGON, } ss.
COUNTY OF UNION, }

principal clerk of **THE OBSERVER**, a newspaper of general circulation as defined by ORS 193.010 and 193.020; printed and published at La Grande, in the aforesaid county and state; that thePublic.hearing,.Public.works.grant/loan

a printed copy of which is hereto annexed was published in the entire issue of
said newspaper for . . . 1. . . . successive and consecutive weeks/days in the
following issues: October 7, 1991

Subscribed and sworn to before me this . 7 . day of . October 19 . 91 .

My commission expires June 18, 1993

To: Elgin City Council and Members of the Public
From: Osterloh's Originals

At the present time we at Osterloh's are awaiting word on the contract based on acceptance of the final prototype of the World and Japan maps, that were sent to Tokyo Wednesday October 2. Our Japanese contact has informed us that the maps arrived on Saturday October 5th, and are being held in Customs until October 9th. Customs holds shipped items for three working days. This means we should be hearing from the buyers by this time next week. Our contact also mentioned they would like to place an initial order of 400 world maps to be delivered by January 5, 1992. This would require us to hire and train a minimum of 20 new employees. In order to do this, we are required to make the following improvements:

- (1) Install a State approved sprinkler system and 2 hydrants.
- (2) Finish additional space under building for map production
- (3) Complete dust collection system.
- (4) State approved fire doors and exits.

As you probably know we have been working for over a year for this contract and in order to be able to start as soon as possible it is essential that the new 10"(inch) water line be installed quickly. Without this line we are limited to the use of our current space, and will not be able to fulfill our contract obligations and can there-by jeopardize the contract.

We understand the grant from the state will include a loan that Osterloh's Originals is willing to pay so the city will have no outside loan obligations.

To date we have invested over \$50,000 in this project. This includes new construction to bring this Historic Building up to current building codes, as well as new additional machinery needed to meet our estimated production needs.

We are currently accepting resumes from local people for map-making and fine furniture construction. These jobs range from \$6 to \$15 dollars per hour, bringing an estimated payroll of \$500,000 per year to the Elgin area.



NORTHEAST OREGON ECONOMIC DEVELOPMENT DISTRICT

Baker, Union and Wallowa Counties

(503) 963-2399

1109 K AVENUE

SUITE 50

P.O. BOX 3197

LA GRANDE, OREGON

97850

Oct. 17, 1991

Dick Knowles, OEDD
Special Public Works Fund Program
775 Summer Street NE
Salem, OR 97310

RE: City of Elgin's SPWF Application

Dick:

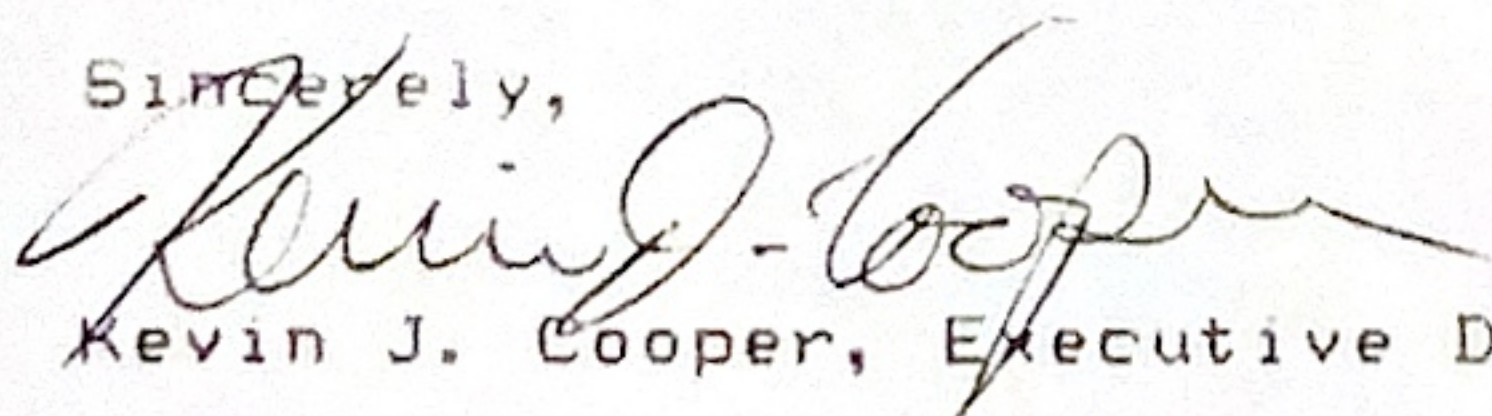
Please find enclosed the above referenced application. All required materials are enclosed except the minutes of the public hearing and minutes of the city council meeting. Joe Garlitz will fax these to you as soon as they are drafted.

The City is planning on forming a "Local Improvement District" to include the company site. This will allow the City to charge the company an additional assessment equal to any loan payments. The corporate officers will also sign unlimited personal guarantees to repay the debt through the LID. This allows the city to assume the debt without the vote of the citizens. The city's charter requires a vote of the city only when incurring "general obligation bonds".

The application requests a 75% grant and 25% loan which we feel is appropriate given the city size, its financial position, and the size of the company to receive the assistance. We realize this is not a typical request for this program and are requesting an exception to the normal financing structure offered through this program.

If you have any questions, call me at 963-2399.

Sincerely,


Kevin J. Cooper, Executive Director

copy: City of Elgin
Martin Davis, RBDO
Osterloh's Originals

ENGINEERING FEASIBILITY
CEDAR STREET WATER MAIN EXTENSION
CITY OF ELGIN, OREGON

1991

As requested by the City of Elgin, we have reviewed the feasibility of extending a water main to serve Osterloh's Originals facilities in Elgin, Oregon. A water main extension is required to provide sufficient water to operate a sprinkler fire system and provide fire flow to the facility. The water main extension will run from Highway 82 west along Cedar Street to Osterloh's facilities as outlined on Figure No. 1. Related improvements would include reconnecting water service lines, installation of fire hydrants, etc. The 10-inch water main will have a flow capacity of 1,500 gpm, more or less. The City's water supply and storage facilities are adequate to meet these demands. The new water main is to be installed along an existing City street and there are no known physical limitations which would restrict the installation of the water main other than normal conditions for this type of installation.

It is recommended that in the future, as funds become available, the new 10-inch water main be extended underneath the railroad tracks and tied back to the intersection of Birch Street and Twelfth Street where an existing 8-inch water main exists. This loop would substantially increase the available flow at the Osterloh facility. City standards and specifications should be followed in installation of the water main. A Class 150 C-900 PVC water pipe is recommended for the installation. The estimated cost of the improvements is outlined on Table No. 1, attached hereto.



10/17/91

ANDERSON-PERRY & ASSOCIATES, INC.

La Grande, Oregon
Walla Walla, Washington
Lewiston, Idaho



NORTHEAST OREGON ECONOMIC DEVELOPMENT DISTRICT

Baker, Union and Wallowa Counties

(503) 963-2399

1109 K AVENUE

SUITE 50

P.O. BOX 3197

LA GRANDE, OREGON

97850

Aug. 19, 1991

Oregon Community Development Programs
Oregon Economic Development Department
775 Summer St. N.E.
Salem, OR 97310

RE: SPWF Application - City of Elgin

Dear OEDD Staff Person:

Please find attached the preapplication for the above referenced application. I have compiled the application and am currently working with the company, Osterloh's Originals. If you have any questions, call me at 963-2399.

Joe Garlitz is identified as the contact person for the City of Elgin. He is the City Recorder and acts as a City Manager. He can offer information on the City's financial situation. We are proposing a 75% grant and a 25% loan. From reading the applicant's handbook, I understand this is within the 85% grant limit.

Finally, the company has the potential for creating 15 full time jobs as the result of a contract to sell unique wooden maps in Japan. Your assistance in expediting the application would have a significant impact on the success of this project.

If there are any deficiencies, I would appreciate your cooperation in supplementing the information in the most expedient way available.

Sincerely,

Kevin J. Cooper, Executive Director

copy: ✓ City of Elgin
Osterloh's Originals
Martin Davis, RBDO
Dan Moore, UCEDC

OREGON COMMUNITY DEVELOPMENT PROGRAMS
Oregon Economic Development Department
775 Summer St. N.E.
Salem, Oregon 97310-Ph: 378-3732

PRE-APPLICATION
SPECIAL PUBLIC WORKS
FUND PROGRAM

PLEASE SUBMIT AN ORIGINAL AND 3 COPIES

INSTRUCTIONS ATTACHED

SECTION 1a. GENERAL INFORMATION:

Applicant: City of Elgin
P.O. Box 128
Elgin, OR 97827

IRS Employer ID #: 93-6002155

Contact Person: Joe Garlitz

Phone: 437-2253
Fax No.: 437-2253

SECTION 1b. PROJECT ELIGIBILITY

Firm Business Commitment (Level 1):

Business: Elgin Flouring Mill Inc., dba Osterloh's
Address: P.O. Box 698
Elgin, OR 97827
Phone: (503) 437-8989
Contact Person: Rod Lough Sr. or Russel Osterloh
Phone: 437-8989

Site Address: 1005 Dogwood, Elgin, OR 97827

Jobs to be created/retained: 15

SECTION 1b. (cont.) Capacity Building Projects (Level 2):

Commercial/Industrial acreage to be benefitted:

Estimated job creation as result of project: 15 Jobs Full Time - Year Round

Other Economic Benefit:

SECTION 1c. PROJECT HIGHLIGHTS:

PROJECT COSTS AND FUNDS REQUESTED:

Loan: \$ 10,000.00
*Grant: \$ 30,000.00
Total Funds Requested: \$ 40,000.00
Benefitted Properties: \$
Municipality: \$ 8,950.00
Other funds: \$
Total Cost of Project: \$ 48,950.00

THE PURPOSE OF THIS PRE-APPLICATION
IS TO DETERMINE PROJECT ELIGIBILITY
UNDER FEDERAL AND STATE LAW AND
ADMINISTRATIVE RULE. APPLICANTS
GIVEN ELIGIBILITY MAY SUBMIT A FINAL
APPLICATION TO THE DEPARTMENT FOR
FUNDING CONSIDERATION.

*Grants are considered only when a loan is not feasible. The department must evaluate the economic need of the applicant and specific circumstances of the project. Substantial justification must be presented for any grant request.

FOR ITEMS A & B ANSWER ONLY IN SPACE PROVIDED HERE

(A) BRIEF PROJECT SUMMARY: (Problem, need, proposed accomplishments, solution)

The City cannot afford the cost of extending a 10" water line to the Company's site. Without water, the company cannot get a building permit to expand its facility and fill its contract for export to Japan. The ability to finance this need with state assistance would allow for the expected job creation.

(B) SUMMARIZE THE ECONOMIC BENEFITS OF THE PROJECT:

The Company is projecting to hire 15 people this fall to meet their production needs. At least 12 of these positions are projected to be family wage jobs.

(C) PUBLIC WORKS EXPENDITURES:SOURCES:

	SPWF Funds Requested \$	Other Public Funds * \$	Benefitted Properties/ Private Inv. \$	Project Total \$
<u>Infrastructure Activities</u>				
Land acquisition and clearance (infrastructure only)				
Water improvements	31,400	7,750		39,150
Sanitary sewer improvements				
Storm sewer improvements				
Road and bridge improvements	4,000	800		4,800
Public transportation and railroad facilities				
Solid waste facilities				
Engineering and architectural	2,500			2,500
Contingencies				
Project administration	XXXXXXXXXX	400		400
Other (specify) Legal	2,100			2,100
Total Infrastructure Project	\$ 40,000 *****	\$ 8,950 *****	\$ *****	\$ 48,950 *****

* Specify Source	Amount	Terms
City Water Fund	\$ 8,000	N/A
City Street Fund	950	N/A
Total		

(D) PRIVATE FUNDS EXPENDITURE:Activities:

	Public Sources	Sources: U.S. Bank	Equity	Total
Public Infrastructure	\$			
Private infrastructure (access roads, sewer collectors, etc.)	\$ 12,000	18,000	20,000	50,000
Buildings	\$ 20,000	16,000		36,000
Machinery and equipment	\$ 71,000	24,000	25,000	120,000
Furnishings	\$			
Landscaping, parking	\$		3,000	3,000
Contingencies	\$	2,000		2,000
Other (specify)	\$			
Total Project Investment	\$ 103,000 *****	60,000 *****	48,000 *****	211,000 *****

*Several public financing sources including GCIF, OBDF & Regional Strategies Funds

Note: Private Investment must include all anticipated private investment.
This information is used to determine whether the minimum leverage requirement has been met.

(E) Specify the source of loan repayment. Identify specifications pledged, i.e. water, sewer or other revenue funds, general obligation or revenue bonds. What is the security relationship of the requested loan to existing indebtedness. Are the sources of funds pledged to any other indebtedness?

- (F) If you do not have a business committing to locate or expand and create jobs, if the infrastructure is built, provide a brief assessment of the high probability of economic development if the infrastructure is built. Include marketing strategies and, development interest in the community and how the lack of the infrastructure proposed impedes economic development.

N/A

- (G) Are you aware of any environmental concerns with this project such as historic designations, location of the project in a floodplain, etc.? yes; XX no. If "yes" please explain.

- (H) Is the project located in your jurisdiction? XX yes; no
Will the applicant own and operate any requested infrastructure?
XX yes; no. If "no" to either question, explain.

- (I) ATTACH maps adequate to show the general vicinity and specific location of the proposed project.

- (J) ATTACH other information applicant wishes to provide.

CERTIFICATION OF HIGHEST ELECTED OFFICIAL

I certify that, to the best of my knowledge: (1) all information contained in this application is valid and accurate, (2) the submission of this application has been authorized by the governing body of the city/county; and (3) if funding is received, we will comply with all applicable state and/or federal program requirements.

Signature Rodney Spikes Title Mayor
Name Rodney Spikes Date August 16, 1991
(type or print)

ESTIMATED COST

CITY OF ELGIN

CEDAR STREET WATER MAIN EXTENSION

<u>ITEM</u>	<u>UNIT</u>	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>TOTAL COST</u>
Mobilization (not to exceed 5% of Bid)	L.S.	---	All Req'd	\$ 2,000
10-inch Water Line	L.F.	850	\$ 16.00	13,600
4-inch Water Line	L.F.	30	\$ 10.00	300
10-inch Valves	Each	3	\$ 750.00	2,250
4-inch Valves	Each	1	\$ 150.00	150
Connection to Exst. Water Line in State Highway	Each	1	\$1,000.00	1,000
Connection to Exst. Water Line	Each	2	\$ 400.00	800
Fire Hydrant and Auxiliary Valve	Each	2	\$1,350.00	2,700
3/4-inch Water Service Connection	Each	6	\$ 100.00	600
3/4-inch Water Service Line	L.F.	100	\$ 7.50	750
Gravel Street Restoration	S.Y.	150	\$ 4.00	600
Asphalt Street Restoration	S.Y.	140	\$ 30.00	4,200
10" Backflow Valve Assembly and Vault	Each	1	\$15,000.00	<u>15,000</u>
Total Estimated Construction Cost				\$ 43,950
Engineering				2,500
Administration/Legal				<u>2,500</u>
TOTAL ESTIMATED PROJECT COST				\$ 48,950

